

## **Big Sandy Rural Electric Cooperative Corporation**

### **Proposed Changes to Extension of Service to Mobile Homes**

#### **Current Practice**

Big Sandy's current practice is to extend service to mobile homes at no charge for service extension up to 1000 feet in length from the nearest facility. Such practice has been in place for a number of years, but has never been addressed directly in its tariff. This filing is an attempt to remedy that problem.

Customers with extensions in excess of 1000 feet are charged an advance equal to the costs incurred for the service beyond 1000 feet, to be refunded over a ten-year period in equal amounts for each year that service is continued. That practice is consistent with Commission regulations and set forth in the Tariff. It will remain unchanged.

#### **Proposed Change**

Big Sandy is requesting approval of Second Revised Tariff Sheet No. 5, which incorporates the proposed plan for extending service to customers that are less than 1000 feet from the nearest facility. Big Sandy seeks approval to conform its plan to the Commission's regulations contained in 807 KAR 5:041, Section 12, with one exception. The proposed change is identical to the regulation for extensions of 0 to 300 feet. Extensions of 0 to 150 feet would be made at no charge, while extensions of 151 to 300 feet would be based on a \$50 advance, refunded to the customer if service is continued for one year.

Section 12 (3) states that for extensions of 300 to 1000 feet, the utility "may" charge an advance equal to reasonable costs incurred by it for that portion of service beyond 300 feet, plus a \$50 advance. The costs of extensions beyond 300 feet are refundable over four years if service is continued, with the \$50 advance refunded at the end of the first year. Big Sandy is requesting use of this extension of service approach with one modification. Big Sandy requests that extensions of 300 to 500 feet be handled through a \$50 advance, with a refund after year one, and that the extensions of 500 to 1000 feet be handled in a manner that is identical to the Commission's regulations.

#### **Change from 300 Feet to 500 Feet**

Based on an evaluation of mobile home extensions over the last few years, the costs of extending service to mobile homes for Big Sandy begins to increase significantly if the extension is in the range of 500 feet. Extensions of less than 500 feet are not as costly and Big Sandy is proposing to accept the use of a \$50 advance and refund (after one year) for extensions of 300 to 500 feet in length as well as for the extensions of 150 to 300 feet. Beyond 500 feet, Big Sandy is proposing to use the Commission's regulations of

charging incremental cost plus a \$50 advance, refunded over four years. The conditions for extensions of over 1000 feet will remain the same.

**Deviation from 807 KAR 5:041, Section 12**

Pursuant to 807 KAR 5:041, Section 22, Big Sandy seeks a deviation from the exact requirements for extension of service to Mobile Homes described in 807 KAR 5:041, Section 12, for the reasons outlined above.

BIG SANDY RURAL ELECTRIC  
COOPERATIVE CORPORATION

For all territories served  
PSC No. \_\_\_\_\_  
Revised Sheet No. 5  
Cancelling PSC No. \_\_\_\_\_  
Original Sheet No. \_\_\_\_\_

## S E R V I C E   E X T E N T I O N S

### 12. TEMPORARY COMMERCIAL SERVICE

Facilities that are temporary in nature for commercial ventures such as mines, tipples, oil wells, sawmills, etc., will be provided if the applicant pays an advance fee equal to the reasonable cost of construction of the facilities.

### 13. DISTRIBUTION LINE EXTENSIONS TO MOBILE HOMES

- (a) For extensions greater than <sup>500</sup>~~1,000~~ feet from the nearest facility, the Cooperative may charge an advance equal to the reasonable costs incurred by it for that portion of the service beyond ~~1,000~~<sup>500</sup> feet.
- (b) This advance shall be refunded to the consumer over a ten (10) year period in equal amounts for each year the service is continued.
- (c) If the service is discontinued for a period of sixty days, or should the mobile home be removed and another not take its place within sixty (60) days, or be replaced by a permanent structure, the remainder of the advance shall be forfeited.
- (d) No refunds shall be made to any consumer who did not make the advance originally.
- (e) Extensions made under this section above shall be made on an "Estimated Average Cost" per foot of line. This cost may be reviewed and updated at six-month intervals.
- (f) Nothing herein shall be constructed as to prohibit the Cooperative from making at its expense greater extensions than herein prescribed, should its judgement so dictate, provided like free extensions are made to other consumers under similar conditions.
- (g) The prospective member shall apply for and contract to use the service for one (1) year or more and provide guarantees for such service.
- PUBLIC SERVICE COMMISSION  
OF KENTUCKY  
EFFECTIVE

MAY - 1 1996

PURSUANT TO 807 KAR 5011.  
SECTION 9(1)

BY: Jordan C. Neel  
FOR THE PUBLIC SERVICE COMMISSION

DATE OF ISSUE: APRIL 24, 1996

DATE EFFECTIVE: MAY 1, 1996

ISSUED BY: Bruce A. Davis

TITLE: President/General Manager

Issued by authority of an Order of the Public Service Commission of KY is:  
Case No. 95-383

Dated June 17, 1996.